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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 485  
133<sup>rd</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 485's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsor:** Reps. Stephens and Scherer

**Local Impact Statement Procedure Required:** No

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### Highlights

- The bill removes a requirement that owners of farmland enrolled in the current agricultural use value (CAUV) program must file a renewal application each year in order to remain in the program.
- Elimination of a requirement that county auditors mail owners of land in the CAUV program applications to remain in the program will reduce county auditors' costs.

### Detailed Analysis

The bill changes the application requirement for land enrolled in the CAUV program to remain in the program. The CAUV program allows land devoted exclusively to agricultural use to be valued for tax purposes based on a calculation of its productive capability in that use rather than on its highest and best use (in other words, at market value). This lower tax valuation reduces property taxes owed on the agricultural land.

Under current law, once the county auditor determines that an initial application to enroll land in the program is complete and correct, and that the land is devoted to agricultural use, and enrolls the land in the program, the auditor must thereafter in each subsequent year mail to the owner of the land a renewal application. The owner of the land must reapply in each subsequent year to stay in the program. The requirement to reapply annually is eliminated by the bill.

Under the bill and in current law, county auditors each year must determine whether land in the CAUV program continues to be devoted exclusively to agricultural use. The bill requires a landowner to notify the county auditor if the land ceases to be used exclusively for

agricultural purposes. The bill provides that for agricultural land totaling less than ten acres, that generates at least \$2,500 of gross income per year, the owner each year must provide the auditor with documentation of the yearly gross income.<sup>1</sup>

Initial applications under current law must be accompanied by a \$25 fee. This requirement is unchanged by the bill.

Elimination of the requirement that county auditors each year must mail applications to remain in the CAUV program to owners of land in the program during the previous year will result in cost savings for county auditors. The bill has no fiscal effect upon the state.

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<sup>1</sup> A small agricultural lot of less than ten acres that generates less than \$2,500 yearly gross income from agricultural activities is not eligible to be in the CAUV program.